



**ASSEMBLY AMENDMENT 2,  
TO 2009 SENATE BILL 530**

April 21, 2010 – Offered by Representatives Hintz, Seidel, Zepnick, Jorgensen,  
Fields and Smith.

\*\*\* AUTHORS SUBJECT TO CHANGE \*\*\*

1           At the locations indicated, amend the bill, as shown by senate substitute  
2   amendment 1, as follows:

3           **1.** Page 1, line 5: after “payday loans” insert “and motor vehicle title loans”.

4           **2.** Page 1, line 6: delete “a payday lender” and substitute “such lenders”.

5           **3.** Page 6, line 1: after “*Payday*” insert “*and title*”.

6           **4.** Page 6, line 10: after “PAYDAY” insert “AND TITLE”.

7           **5.** Page 6, line 14: after that line insert:

8           “4. “Title lender” means a business, owned by a licensee, that makes title loans.

9           5. “Title loan” has the meaning given in s. 138.14 (1) (m).”.

10          **6.** Page 6, line 15: after “*payday*” insert “*and title*”.

11          **7.** Page 6, line 16: on lines 16, 18, 19 and 21, before “lender” insert “or title”.

12          **8.** Page 6, line 19: after “another payday” insert “or title”.

1           **9.** Page 7, line 1: on lines 1, 3, 7 and 9, after “payday” insert “or title”.

2           **10.** Page 7, line 12: after “*Payday*” insert “*and title*”.

3           **11.** Page 7, line 16: after that line insert:

4           “d. “Title lender” means a business, owned by a licensee, that makes title loans.

5           e. “Title loan” has the meaning given in s. 138.14 (1) (m).”.

6           **12.** Page 7, line 17: on lines 17, 19, 20 and 22, before “lender” insert “or title”.

7           **13.** Page 7, line 20: after “another payday” insert “or title”.

8           **14.** Page 7, line 24: before “lenders” insert “or title”.

9           **15.** Page 8, line 1: on lines 1, 5 and 7, after “payday” insert “or title”.

10          **16.** Page 9, line 1: after “Payday” insert “or title”.

11          **17.** Page 9, line 15: after “payday” insert “or title”.

12          **18.** Page 10, line 2: after that line insert:

13          “**SECTION 11m.** 138.09 (8) (f) of the statutes is created to read:

14          138.09 **(8)** (f) Make no loan that requires a schedule of payments by a borrower  
15          under which any one payment is not equal or substantially equal to all other  
16          payments, or under which the intervals between any consecutive payments differ  
17          substantially.”.

18          **19.** Page 10, line 11: after “**Payday**” insert “**and title**”.

19          **20.** Page 10, line 21: after “payday” insert “or title”.

20          **21.** Page 11, line 12: after “payday” insert “or title”.

21          **22.** Page 12, line 4: after that line insert:

1           “(m) “Title loan” means a loan of \$25,000 or less to a borrower, who obtains or  
2 seeks to obtain the loan for personal, family, or household purposes, that is, or is to  
3 be, secured by an interest, other than a purchase money security interest, in the  
4 borrower’s motor vehicle.”.

5           **23.** Page 12, line 5: on lines 5 and 8, after “payday” insert “or title”.

6           **24.** Page 12, line 9: on lines 9 and 23, after “payday” insert “and title”.

7           **25.** Page 13, line 20: after “payday” insert “or title”.

8           **26.** Page 15, line 2: after “payday” insert “or title”.

9           **27.** Page 16, line 17: on lines 17, 18, 20, 22 and 24, after “payday” insert “and  
10 title”.

11          **28.** Page 17, line 1: on lines 1, 3, 5 and 7, after “payday” insert “and title”.

12          **29.** Page 17, line 4: after “payday” insert “or title”.

13          **30.** Page 19, line 19: after that line insert:

14          **“(9g) DISCLOSURE REQUIREMENTS. (a)** Before any licensee enters into a payday  
15 or title loan with an applicant, the licensee shall do all of the following:

16           1. Disclose to the applicant the total amount of all fees and costs, in dollars, to  
17 be paid by the applicant for the loan assuming that the loan is paid in full at the end  
18 of the loan term.

19           2. Disclose to the applicant the annual percentage rate to be paid by the  
20 applicant on the loan assuming that the loan is paid in full at the end of the loan term.

21           3. Provide to the applicant a copy of the written informational materials  
22 specified in sub. (9r).

1           4. Disclose to the applicant that he or she has the right to rescind the loan  
2 transaction as provided in sub. (11r).

3           5. Disclose to the applicant the service charge that may apply under sub. (10)  
4 (b) 2.

5           6. Disclose to the applicant the payment requirements that may apply under  
6 sub. (11g) (a) if the loan is not paid in full at the end of the loan term.

7           (b) A licensee shall retain, for at least 3 years after the origination date of any  
8 payday or title loan, a record of compliance with par. (a) with respect to the loan.

9           **(9r)** INFORMATIONAL MATERIALS. (a) The division shall develop written  
10 informational materials on payday and title loans and the payday and title loan  
11 industries. These informational materials shall be designed to educate individuals  
12 regarding the operation and potential costs of payday and title loans and of other  
13 options for borrowing funds that may be available.

14           (b) The informational materials under par. (a) shall include a clear and  
15 conspicuous notice that a payday or title loan is not intended to meet long-term  
16 financial needs and that a payday or title loan applicant should use a payday or title  
17 loan only to provide funds in a financial emergency.

18           (c) The informational materials under par. (a) shall include all of the following  
19 information, based upon aggregated information from reports submitted under sub.  
20 (7) (d) for the most recent reporting period:

21           1. The average annual percentage rate for payday and title loans.

22           2. The percentage of customers originating payday or title loans who defaulted  
23 on the loan.

24           3. The percentage of customers originating payday or title loans whose  
25 payment method was dishonored or denied for insufficient funds.

1           4. The percentage of customers originating payday or title loans that resulted  
2 in repayment under sub. (11g) (a).

3           (d) The informational materials under par. (a) shall include a summary of all  
4 actions that the licensee may take against a payday or title loan customer if the  
5 customer defaults on the payday loan or if the customer's check or electronic fund  
6 transfer is dishonored or denied for insufficient funds.

7           (e) The division shall annually update the informational materials under par.  
8 (a), based upon the division's analysis of reports received under sub. (7) (d).

9           (f) The division shall make copies of the informational materials under par. (a)  
10 available, upon request, to licensees and to the public, including making these  
11 informational materials available on the Internet site of the department of financial  
12 institutions. The division may charge licensees a reasonable fee for printed copies  
13 of informational materials supplied under this paragraph.”.

14           **31.** Page 19, line 22: on lines 22, 23 and 25, after “payday” insert “or title”.

15           **32.** Page 19, line 23: delete “2. If” and substitute:

16           “2. Subject to sub. (12m) (e), if”.

17           **33.** Page 20, line 11: on lines 11, 17 and 25, after “payday” insert “or title”.

18           **34.** Page 20, line 14: delete lines 14 to 16 and substitute:

19           “2. A licensee may present a customer's check for payment no more than once.  
20 For each customer authorization to initiate an electronic fund transfer from the  
21 customer's account, a licensee may initiate an electronic fund transfer no more than  
22 once. The only charge that a licensee may impose for dishonor of a customer's check  
23 or denial of the licensee's instruction to execute an electronic fund transfer is a  
24 service charge that does not exceed \$15.”.

1           **35.** Page 21, line 7: on lines 7, 8, 10, 11, 12 and 13, after “payday” insert “or  
2 title”.

3           **36.** Page 21, line 9: before “by returning” insert “or, if the place of business  
4 where the loan is made is open 24 hours, before 5 p.m. on the next day of business  
5 after the loan is made,”.

6           **37.** Page 21, line 15: on lines 15 and 17, after “subsequent payday” insert “or  
7 title”.

8           **38.** Page 21, line 15: after “another payday” insert “or title”.

9           **39.** Page 21, line 17: after “new payday” insert “or title”.

10          **40.** Page 21, line 19: after that line insert:

11           “(am) No licensee may make a payday or title loan that requires a schedule of  
12 payments by a customer under which any one payment is not equal or substantially  
13 equal to all other payments, or under which the intervals between any consecutive  
14 payments differ substantially.”.

15          **41.** Page 21, line 20: delete “(b)” and substitute “(b) 1.”.

16          **42.** Page 21, line 24: after that line insert:

17           “2. No licensee may make a title loan to a customer who is liable for repayment  
18 of any amount on a title loan made by the licensee or another licensee. No licensee  
19 may make a title loan to a customer that results in the customer having liability for  
20 the loan, in principal, interest, and all other fees and charges, of more than 50 percent  
21 of the value of the motor vehicle used as security for the loan. The division shall  
22 promulgate rules for determining the value of a motor vehicle for purposes of this

1 subdivision, including rules specifying pricing guides that may be used for  
2 determining value.”.

3 **43.** Page 22, line 1: on lines 1, 5, 8, 12, 14, 17 and 21, after “payday” insert “or  
4 title”.

5 **44.** Page 22, line 17: after that line insert:

6 **“(12m) TITLE LOANS.** (a) A licensee may not require a customer to provide the  
7 licensee with a key or copy of a key to a motor vehicle used as security for a title loan  
8 as a condition for making the title loan to the customer.

9 (b) A licensee may not make a title loan to a customer that has a term of more  
10 than one year.

11 (c) A licensee or person acting on behalf of a licensee may not take possession  
12 of a motor vehicle used as security for a title loan to a customer without serving notice  
13 on the customer in the manner provided under s. 801.11 (1) (a) or (b) at least 15 days  
14 prior to taking possession. The notice shall state the intent to take possession and  
15 describe the basis for the right to take possession. This paragraph does not apply to  
16 possession that is obtained by a customer’s voluntary surrender of a motor vehicle.  
17 A violation of this paragraph is subject to s. 425.305.

18 (d) A licensee or other person may charge a customer a reasonable storage fee  
19 for a motor vehicle of the customer of which the licensee or person acting on behalf  
20 of the licensee has obtained possession, including possession that is obtained by  
21 voluntary surrender.

22 (e) No interest on a title loan may accrue as of the date that a licensee obtains  
23 possession of a motor vehicle used as security for the title loan, including possession  
24 that is obtained by voluntary surrender. No interest on a title loan may accrue after

60 days following a customer's failure to make any payment required for the loan, unless the customer has concealed the location of the motor vehicle used as security for the loan.

(f) A licensee shall return to a customer the amount of any proceeds from the disposition of a motor vehicle used as security for a title loan to the customer that exceed the customer's liability to the licensee for the loan.

(g) A customer is not liable to a licensee for any deficiency resulting from the licensee's disposition of a motor vehicle used as security for a title loan, unless the customer has engaged in misconduct.”.

**45.** Page 22, line 18: on lines 18 and 20, after “payday” insert “and title”.

**46.** Page 23, line 2: on lines 2, 4 and 5, after “payday” insert “or title”.

**47.** Page 24, line 4: after “payday” insert “and title”.

**48.** Page 24, line 13: after “payday” insert “or title”.

**49.** Page 25, line 4: on lines 4, 7, 15 and 23, after “payday” insert “or title”.

**50.** Page 25, line 17: on lines 17 and 19, after “payday” insert “and title”.

**51.** Page 26, line 2: after “payday” insert “and title”.

**52.** Page 26, line 16: on lines 16, 22 and 25, after “payday” insert “or title”.

**53.** Page 27, line 1: on lines 1, 8 and 24, after “payday” insert “or title”.

**54.** Page 27, line 2: after “payday” insert “and title”.

**55.** Page 27, line 7: after “outstanding payday” insert “or title”.

**56.** Page 27, line 7: after “open payday” insert “or title”.

**57.** Page 27, line 15: on lines 15, 16 and 17, after “PAYDAY” insert “OR TITLE”.

1 **58.** Page 28, line 6: on lines 6, 10 and 25, after “payday” insert “or title”.

2 **59.** Page 28, line 14: on lines 14 and 16, after “payday” insert “and title”.

3       **60.** Page 29, line 3: delete “\$500” and substitute “\$1,000”.

4 **61.** Page 29, line 4: after “payday” insert “or title”.

5 **62.** Page 29, line 9: delete lines 9 to 12 and substitute:

6           **“(16) PRIVATE CAUSE OF ACTION.** If a person makes a payday or title loan to a  
7           customer that violates this section, the customer may bring an action against the  
8           person for an amount equal to twice the interest charged for the loan, or the actual  
9           damages, including any incidental and consequential damages, sustained by the  
10          customer by reason of the violation, whichever is greater, and, notwithstanding s.  
11          814.04 (1), the costs of the action, including reasonable attorney fees.”.

12           **63.** Page 32, line 3: after “(k)” insert “, or a title loan, as defined in s. 138.14  
13           (1) (m)”.

14           **64.** Page 32, line 6: after “act,” insert “and title loans, as defined in section  
15       138.14 (1) (m) of the statutes, as created by this act,”.

16 (END)